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THE **Vanguard** GROUP®

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LOOK TO YOUR
Future with Confidence



Look to your future with confidence

If you are like many people, you probably dream of a relaxing retirement . . . where time is your own and you can pursue the many interests that you neglected during your working years.

The Hanford Site is dedicated to helping you make your retirement dreams a reality and that's why your company offers the Hanford Site Savings Plans. It's one of the most valuable benefits you have as an employee. If you're already in the savings plan, you know that.

This newsletter gives you tips on how to save more for your future. And if you're not yet in the plan, consider joining today! Read on to learn several reasons why it makes sense to enroll.



Think you can't afford to save?

You may think you can't afford to join the plan because you're already struggling to make ends meet. Well, think again!

It is never too early to start saving, especially when you consider the many benefits of the plan. It offers the convenience of payroll deductions, tax advantages, a company match, flexibility, and other pluses.

- ▶ **The convenience of payroll deductions.** You save more before you have a chance to spend more. Money is automatically deducted from your pay and deposited in your plan account.
- ▶ **Tax advantages.** Your contributions can be made on a pre-tax basis. This means you will not have to pay taxes on your contributions or any earnings until you withdraw the money from your account, which may be many years from today.
- ▶ **Variety of investment options.** You can invest in one Vanguard Target Retirement Fund or a variety of other mutual funds. You also have access to the Vanguard Brokerage Option.
- ▶ **Company match.** Your employer will contribute \$1 to your account for every \$1 you contribute, up to 3% of your pay. Then, for every \$1 you save after that (up to 2% of your pay), the company will contribute \$0.50 to your account. Make sure that you contribute at least the maximum needed to take full advantage of the match.
- ▶ **Compound rate of return.** The money you invest can produce earnings. These earnings may earn a return, and so on, year after year. The result? Your savings can really add up over time.
- ▶ **Flexibility.** You can access your account to change your investment mix or the amount you contribute. Simply call Vanguard Participant Services at **800-523-1188**. Associates are available Monday through Friday from 5:30 a.m. to 6 p.m., Pacific Time. Or log on to your account at www.vanguard.com.
- ▶ **Portability.** If you leave, you can take your savings with you.

Use the **Save More Calculator** at www.vanguard.com to see how contributing to the plan changes your take-home pay, reduces your taxes, and can help you build savings for retirement.



Want to save more?

Did you know that small increases in your contributions to the plan—even a percentage or two—can make a **big** difference over time?

Because of the power of compounding and the compelling tax benefits, the difference made by saving just a little more through the plan can be amazing. If you earn \$25,000 a year and contribute to the plan, here’s how your savings could grow:

Years	Saving 4% in the plan*	Saving 8% in the plan*	Saving 12% in the plan*
10	\$14,487	\$28,973	\$43,460
20	\$45,762	\$91,524	\$137,286
30	\$113,283	\$226,566	\$339,850

*This example assumes you earn an 8% average annual rate of return and contribute to the plan for the specified period. This example is hypothetical and does not represent the returns from any particular investment.

How to save more

Increase your contributions to the plan today. Log on to your account at www.vanguard.com or call Vanguard® Participant Services at 800-523-1188 Monday through Friday from 5:30 a.m. to 6 p.m., Pacific Time.

Of course, saving more is easier said than done. But by incorporating a few budgeting tips into your everyday lifestyle, you can save more without feeling that you are sacrificing any small luxuries. Here are some ways to save without tightening your belt too much:

- ▶ **Adjust your withholding.** If you get a big tax refund every year, in effect you're lending money to Uncle Sam. If you increase the number of withholding allowances on your Form W-4 so that less money is withheld from your pay, you can then choose to increase your contributions to your plan.
- ▶ **Avoid impulse buying.** If you find yourself buying things that you don't always need, try this tip. Before you make an unplanned purchase, especially one of \$50 or more, think about it for at least 24 hours. Later you may decide not to make the purchase.
- ▶ **Clip coupons.** If you think coupons are just a hassle, think again. Coupons are well worth the effort if you use them when making large purchases, shopping at the grocery store, or eating out. Every little bit adds up.
- ▶ **Eat out less.** If you work 230 days a year, by packing a \$2.50 lunch instead of buying a \$5 lunch everyday, you can save \$575 a year. Or, by switching to convenience-store coffee at \$0.99 a cup instead of a gourmet coffee at \$2.50, you can save \$347 a year.
- ▶ **Look at your monthly bills.** Call your service providers to see if they have suggestions to lower your bills. If you have memberships or subscriptions that you don't use or enjoy, cancel them. Cut down on your premium cable channels and check your local library for books, magazines, videos, and CDs you can borrow for free or a nominal fee.
- ▶ **Obtain competitive bids on insurance.** Whether it's home, auto, or life insurance, you may be able to cut your premium without sacrificing coverage or service. It's quick work to get quotes on the Internet.
- ▶ **Set limits.** If you tend to go overboard on gifts, decide how much you're going to spend beforehand and stick to it. Many budgets disintegrate during the holiday season.
- ▶ **Stop financial leaks.** If you're not sure where all your money goes, pay attention to small fees and unnecessary expenses. For example, use only your own bank's ATMs to prevent surcharges, and return that video on time to avoid late fees.

Save as much as you can. If you're having trouble saving, follow this simple guideline: Start with a small amount (maybe 3% or 4% of your salary) and raise your contribution by one percentage point every six months. Because the money is coming out of your pay before you touch it, you probably won't even notice it's gone.

How to enroll

You are eligible to participate in the Hanford Site Savings Plan the first day you are employed with the company as a regular full-time or part-time employee. To enroll, contact Vanguard at **800-523-1188**.

Know how much you need to save

Knowing specifically how much to save for retirement is valuable information. Those who know how much to save are twice as likely to be saving enough for retirement as those who don't, according to a recent study.

Your action steps

- ▶ Find out your estimated Social Security retirement benefit. It's on your annual statement, which you receive in the mail from the Social Security Administration about three months before each birthday if you are age 25 or older.
- ▶ Complete the "How Much Should I Save for Retirement" worksheet available in the Planning & Education area of www.vanguard.com.

Want to learn more about saving for retirement?

Visit the Planning & Education section of www.vanguard.com. There you will find information, tools, and resources to help you meet your financial objectives.



Questions?

To learn more about your plan or to increase your contributions, call Vanguard Participant Services at **800-523-1188** Monday through Friday from 5:30 a.m. to 6 p.m., Pacific Time, or log onto your account at www.vanguard.com.

For more information about any fund, including investment objectives, risks, charges, and expenses, call The Vanguard Group at 800-523-1188 to obtain a prospectus. The prospectus contains this and other important information about the fund. Read and consider the prospectus information carefully before you invest. You can also download Vanguard fund prospectuses at www.vanguard.com.

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